

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Suits – Arbitration – Sanction an amount of Rs. 49,60,680/- as full and final settlement of claims in O.S No. 10/1999 dated 4.12.2003 in respect of the Work relating to Package No. XXXII (I) Road from Km. 0/0 to Km. 9/750- Road No. 5(2) Road from jadalapeta to Road No. 7 from Km. 0/0 to Km. 2/175(3) Road from Oditala to Moranchapally from Km. 0/0 to Km. 7/500 Road No. 4 B in Warangal district entrusted to Sri K. Babu Rao, contractor - Orders - Issued.

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IRRIGATION & CAD (ARBITRATION) DEPARTMENT

G. O. Ms.No. 88

Dated:14.06.2012

Read the following

- 1.From the Engineer-in-Chief (R&B) Roads, Hyd, Lr. No. 22785/DEE5/AEE4/2009-10, Dated 30.7.2010.
- 2.From the Administrator-Cum-Chief Engineer , SRSP, Hyderabad Lr.No.ACE/SRSP/Hyd/DEE-1/AE-4/345/2010-4,dated: 16.11.2011

ORDER:

The Engineer-in-Chief (R & B) Roads, Hyderabad in his letter 1<sup>st</sup> read above, has reported that the work relating to “Package No. XXXII (1) Road from Km. 0/0 to Km. 9/750- Road No. 5(2) Road from jadalapeta to Road No. 7 from Km. 0/0 to Km. 2/175(3) Road from Oditala to Moranchapally from Km. 0/0 to Km.7/500 Road No. 4 B in Warangal district” was entrusted to Sri K. Babu Rao contractor at a cost of Rs 1,23,80,456/- vide Agt. bond No. 4/94-95/SRSP dated 31.05.1994 with a condition to complete the work within (18) months. The contractor has executed the work to the extent of Rs.67,80,456/- only and could not execute the balance work of about Rs.56,00,000/-. The contractor has terminated his employment by invoking the agreement provisions under condition 19.1.of Sec . 2 Col. No.1 and finally the contract was closed by the Government vide G.O.Rt.No.1107 dated 6-9-1997 and thereafter the Executive Engineer(R&B) CAD, SRSP Division, Karimnagar has closed the final bill on 6-2-1998 which was received by the contractor under protest.

2. Aggrieved by the action of the Department, the Contractor has filed O.S.No.10/1999 before the II Additional District Judge Court at Warangal for recovery of Rs.42,31,371/- plus costs and interest thereof. The II Addl. District Judge Court at Warangal, in its judgment and decree dated 4.12.2003 in O.S.No.10/1999, directed the defendants to pay an amount of Rs.32,83,500/- to the plaintiff with future interest at the rate of 9% per annum from the date of termination of the contract on 6-9-1997 till the date of realization along with an amount of Rs.1,20,415 to the plaintiff towards

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proportionate costs. Aggrieved with this Judgment/Decree, an appeal preferred before the Hon'ble High Court of A.P. The Hon'ble High Court of AP in its judgment dated 21-12-2009 in Appeal Suit No. 1193/2004, while referring the matter for conciliation under section 89 of the Code of Civil Procedure, has directed the respondent to file a claim petition within a period of three weeks from the date of the order and directed the conciliator to dispose off the same within a period of three months thereafter. In this regard, the Advocate General, High Court of A.P., Hyderabad has informed that the contractor may be invited for negotiation for an amicable settlement as and when he files a representation before the Government. If for any reason amicable settlement is not arrived at the appeal will be re-open for hearing on merits.

3. In pursuance of the orders of Hon'ble High Court, a Conciliation meeting was held with the contractor on 12-8-2011 and the Contractor has expressed his willingness to accept the lumpsum amount of Rs.49,60,680/- as full and final settlement of his claims including interest and incidentals in respect of the above work. To this effect, Sri K. Babu Rao, contractor has given a declaration on a notarized affidavit stating that he withdraw all legal proceedings pending in the court in respect of the above subject work against the Government or its representative officer if the above amount is paid to him.

4. Government, after careful examination of the above proposal, hereby accord sanction for an amount of Rs. 49,60,680/- ( Rupees Forty Nine lakhs sixty thousand six hundred and eighty only) as full and final settlement of claims in O.S No.10/1999 dated 4.12.2003 in respect of the work relating to Package No. XXXII (I) Road from Km. 0/0 to Km. 9/750- Road No. 5(2) Road from jadalapeta to Road No. 7 from Km. 0/0 to Km. 2/175(3) Road from Oditala to Moranchapally from Km. 0/0 to Km. 7/500 Road No. 4 B in Warangal district was entrusted to Sri K. Babu Rao, contractor vide Agt. bond No. 4/94-95/SRSP dated 31.05.1994, subject to withdrawal of all legal proceedings pending in the courts in respect of the above work against the Government or its representative officer after realization of the above sanctioned amount by the contractor.

5. The expenditure sanctioned in para ( 4 ) above shall be debitable to the detailed Head of account under "4700- Capital outlay on Major Irrigation; 01- Major Irrigation (commercial); M.H 101- SriramSagar Project; G.H 11- Normal State Plan; S.H 27- Canals and Distributaries; 530-Major works; 531-Other expenditure".

6. The Engineer-in-Chief (R&B) Roads, Hyderabad / the Administrator-Cum-Chief Engineer, SRSP, Hyderabad is directed to take necessary action for depositing the decretal amount sanctioned at para (4) above, in the II Additional District Judge Court at Warangal in O.S.No.10/1999 for avoiding further legal complications in the matter. He is also directed to instruct the disbursing officer concerned to obtain a declaration from the above contractor accepting the amount as full and final settlement of his claims before depositing the above sanctioned amount in the respective court.

7. This order issues with the concurrence of Finance (W&P) Department vide their U.O.No. 1853/F4.A2/2012, dated 05.06.2012.

(BY ORDER AND IN THE NAME OF THE GOVERNER OF ANDHRA PRADESH)

**AJOYENDRA PYAL**  
**SPECIAL CHIEF SECRETARY TO GOVERNMENT**

To  
The Engineer-in-Chief (R&B) Roads, Hyderabad  
The Administrator-Cum-Chief Engineer, SRSP, Hyderabad  
The Advocate General High Court of A.P. Hyderabad  
The Accountant General, A.P. Hyderabad.  
The Director of Works Accounts, A.P Hyderabad.  
The District Treasury Officer, Warangal  
The Pay and Accounts Officer, Chintagattu, Hanamkonda  
Sri K. Babu Rao S/o Adinarayana Rao H. No. 40-27-10  
Pinnamaneni Poly Clinic Road  
Vijayavada-10 Krishna District.

Copy to

The P.S to Prl. Secretary to C.M.  
The P.S. to Minister (M& MI)  
The P.S to Spl. Chief .Secretary to Government (I)I & CAD Deptt.  
The Finance (W&P) Department  
The Law (B)Department  
The I & CAD (P&B) Department.  
S.F/ S.C

// FORWARDED: BY ORDER //

SECTION OFFICER